

Innovation Management

A great Idea might come randomly but its path to implementation shouldn't



by [tacoekkel](#)

Innovation Management

What is it?

Implementing ideas that create new business value

- **Culture** -- the "playing field" for all innovation projects and activities
- **Leadership** -- the Role Models who see the possibilities for the future
- **People** -- the Source of innovation
- **Basic Values** -- the Backbone that defines an organization
- **Innovation Values** -- the Mindset that makes the impossible possible

“The things we fear most in organizations - fluctuations, disturbances, imbalances - are the primary sources of creativity.” – Margaret J. Wheatley

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Why?



LET'S MAKE SURE

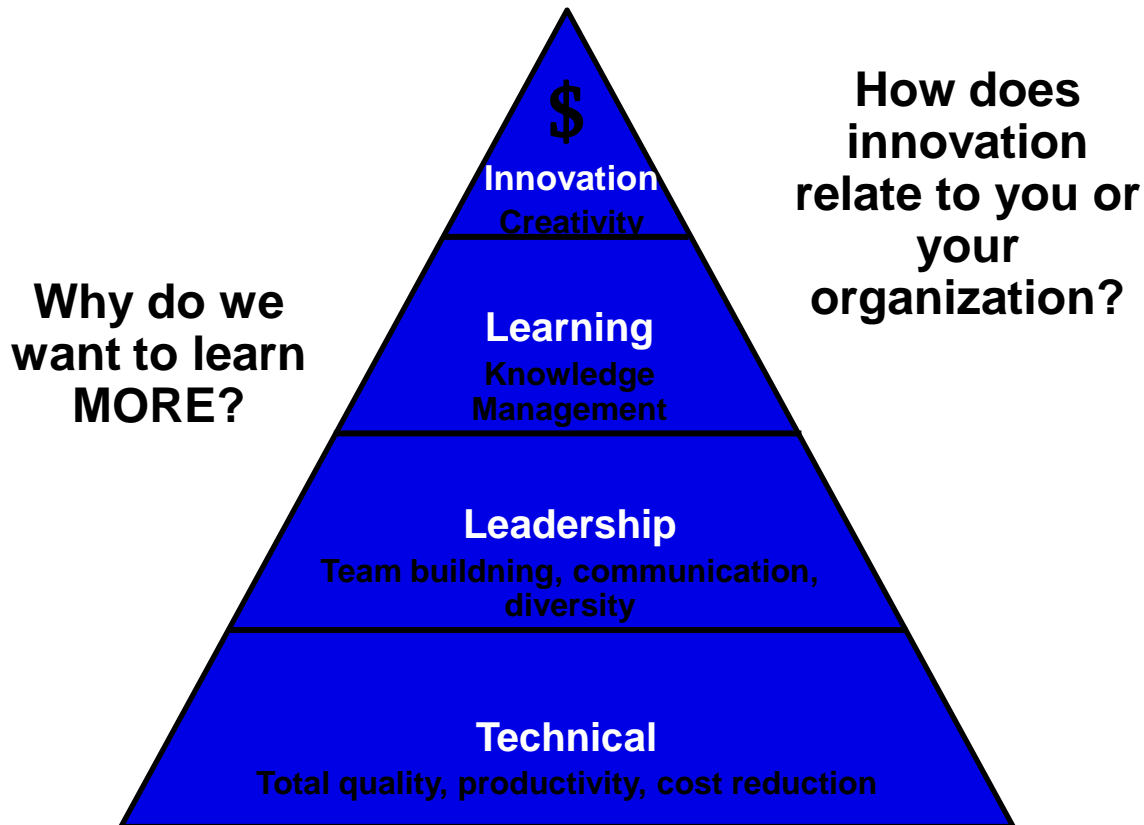
Three studies:

- **Companies that fail to innovate** will either fail to exist long-term or will under perform the market
(Dick Foster & Sarah Kaplan; Creative Destruction: Why Companies That Are built to Last Underperform the market)
- Those **companies that can successfully innovate** have stronger financials including an average of a 4 point improvement in earnings, 2.5 times return in new product sales, and ten times return from their innovation investments. (Arthur D. Little, Innovation Excellence Study 2005)
- According to a recent 2006 Global CEO Study; Business Model innovators, they experienced a **margin growth of 5%** versus non-innovators.
(IBM 2006 Global CEO Survey on Innovation)

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Why?

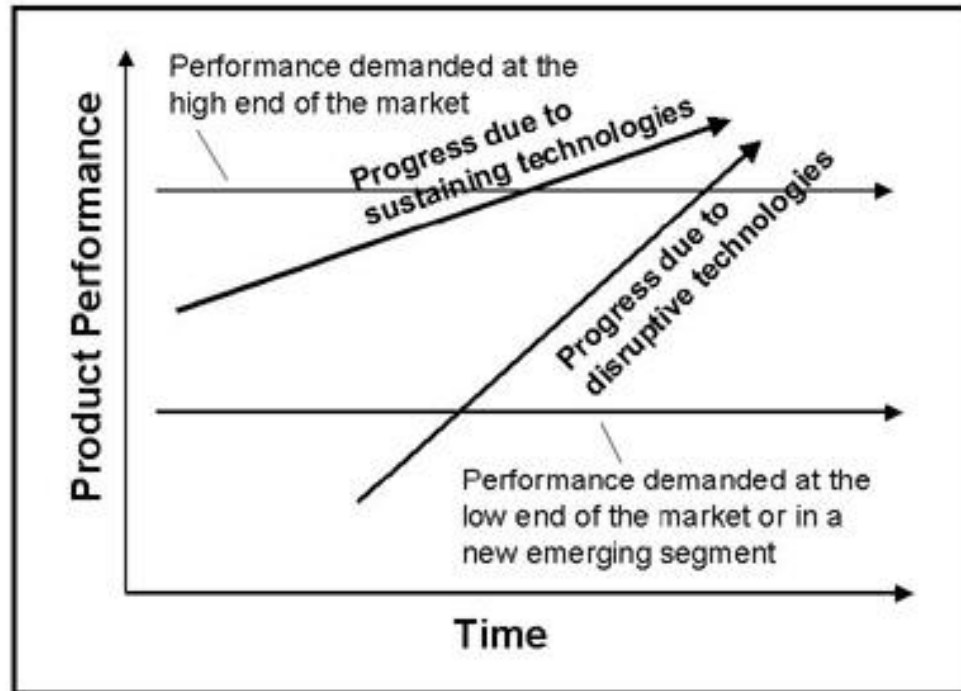
Innovation Evolution:



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Innovator's Dilemma



Large companies are good at **sustaining technologies**.

Disruptive technologies cause a dilemma because they do not initially satisfy the demands of even the low end of the market. Because of that, we often choose to overlook disruptive technologies.

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Seven effective ways to kill Innovation!

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Killer #1: Believe that innovation will “just happen”

Much better: There is no such thing as a free lunch. Imagination and perspiration is needed.

Killer #2: Tell everyone to “think outside of the box”, hold a brainstorming session, then call it a day.

Much better: Create channels for evaluating and try out new ideas. For instance “listeners” or an Innovation group.

Killer #3: Lay the success of innovation solely on IT’s shoulders.

Much better: Realize—and convey—IT’s role in the innovation process.

Killer #4: Create an obstacle course for ideas.

Much better: Make the innovation process transparent and clear-cut, and create ways to support the entire company’s involvement.

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Seven effective ways to kill Innovation! (cont.)

Killer #5: View “different” and “new” as bad.

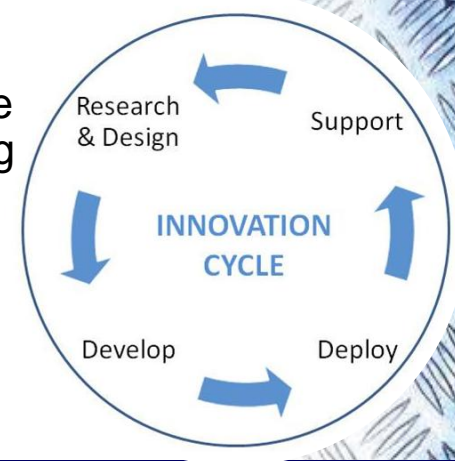
Much better: Study stories of people and companies that took risks. *Fear of change* is hardwired into our bodies. Courage is needed!

Killer #6: Hand over the good ideas to the Legal and Accounting departments.

Much better: Create support and ownership for innovation at management’s uppermost tiers.

Killer #7: Don’t fail!

Much better: What doesn’t work out is merely a **learning experience** and therefore fodder for the innovation cycle. Use Case studies and prototypes to show naysayers why learning experiences are a must in today’s corporate environment.



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Example: IBM WorldJam

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Emerging Business

Opportunity

- Program "graduates" generate \$15 billion + revenue for IBM



Jam *

- 150,000 participants: IBM employees, families (12,000), business partners (67 organizations) in 104 countries
- Generated 10 new business areas with \$100 million funding

How Jams are Conducted

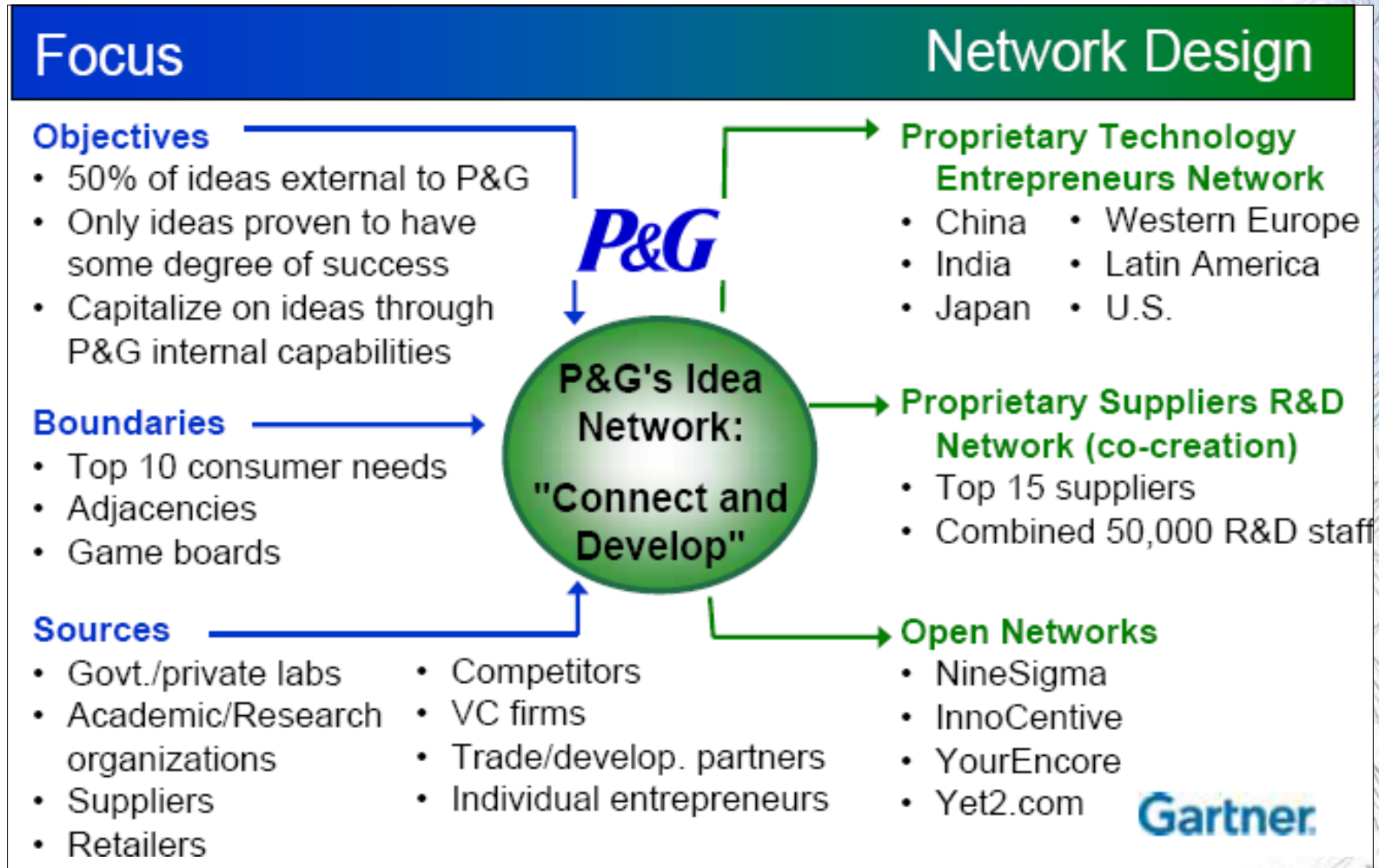
- Marketing = CEO e-mail, intranet promotion and coverage
- Facilitators = Keep the discussion going
- Programming to mine, group, analyze, synthesize discussion
- Reports to provide data, patterns and so on to facilitators and subject matter experts
- Time = 3 days (72 hours). Right time — enough; not too much
- Educate participants in advance

* Other Jams: Employee Values, World Urban Forum, Auto Industry

Gartner

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Example: P&G – End of “not invented here”

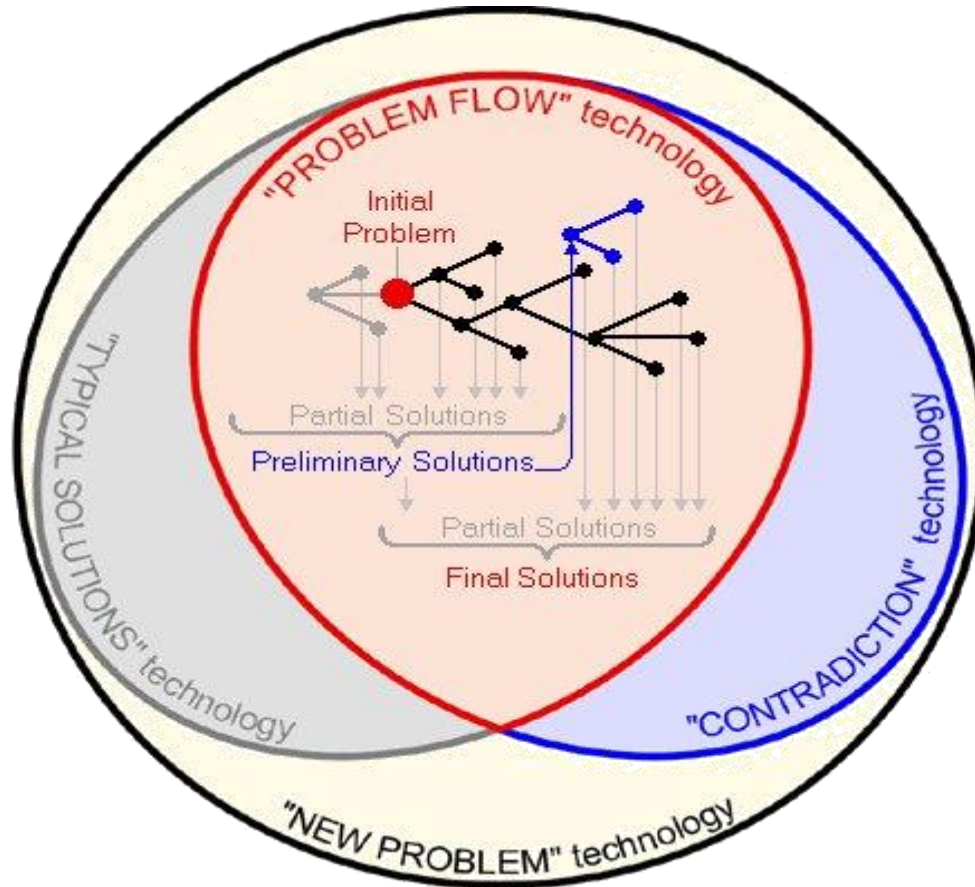


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General Theory of Strong Thinking

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Use the current Knowledge base

Break the rules!

Adjust, combine, try out and evaluate

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Summary

- Innovation is essential for survival and growth
- We need multiple channels in the company for good ideas
- Innovation demands courage



“If you are not failing every now and again, it’s a sign you’re not doing anything very innovative” – Woody Allen